



PRESS RELEASE
Milan, October 30, 2015

TERNIENERGIA: the Board of Directors approved the results as at September 30 2015; Revenues, EBITDA and EBIT grow up significantly, further reduction of the NFP

- Revenues of Euro 277.2 million (Euro 32.4 million at 09/30/2014)
- EBITDA of Euro 16.5 million, + 7.73% (Euro 15.3 million at 30/09/2014) with EBITDA margin to 5.95%
- EBIT of Euro 12.3 million, + 47.9% (Euro 8.3 million at 09/30/2014)
- Net profit amounted to Euro 3.4 million, -46% (Euro 6.3 million at 30/09/2014)
- Net Financial Position of Euro 92.9 million (-14%), Euro 7.1 million of which in short term (Euro 108.2 million at 31/12/2014, of Euro 18.3 million which in short term)
- Shareholders' equity amount to Euro 70.8 million (Euro 71.3 million at 31/12/2014)

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The Board of Directors of TerniEnergia, smart energy company active in the fields of renewable energy, energy efficiency, waste and energy management, listed on the Star segment of the Italian Stock Exchange and part of Italeaf Group, approved the interim financial report as at September 30, 2015.

Stefano Neri, Chairman and CEO of TerniEnergia commented as follows:

"The results are fully satisfactory and in line with the forecasts of the business plan, that we're going to update with the new strategic vision of the Group. It should be noted the great work done by TerniEnergia to reduce the net financial position, with a further improvement in this quarter, and already below the target set for the end of the year".

CONSOLIDATED RESULTS AS AT JUNE 30, 2015

Revenues amounted to Euro 277.2 million, showing a significant increase compared to 30 September 2014 (Euro 32.4 million). The increase is mainly attributable to the new business and organizational model and to the contribution of revenues from the Energy Management and Technical Services business line. Significant growth in the income in the Cleantech and Energy Saving.



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EBITDA amounts to Euro 16.5 million, with a significant increase (+ 7.73%) compared to September 30, 2014 (Euro 15.3 million). The **EBITDA margin** is equal to 5.95%.

Net operating income (EBIT) amounts to Euro 12.3 million (Euro 8.3 million as at September 30, 2014, +30%), after amortization and depreciation of Euro 4.2 million (Euro 7 million at the same period of 2014).

Net profit amounted to Euro 3.4 million. Net income as at September 30, 2014 was Euro 6.3 million (-46%). The reduction is mainly due to the fact that at 30 September 2014, TerniEnergia benefited from a positive balance of Euro 6 million due to the recognition of income tax resulting from the so-called "Tremonti Ambientale" for certain Group companies that own important photovoltaic plants.

The **net financial position** amount to Euro 92.9 million (Euro 108 million as at 31/12/2014). The non-current NFP is Euro 85.8 million, while the net financial position in short term amount to Euro 7.1 million. The NFP/Net equity ratio equal to 1.3x, improves significantly (1.52x as at 31/12/2014) in line with the expectations of the industrial plan.

The Net Equity amounted to Euro 70.8 million (Euro 71.3 million at 31/12/2014), while the Fixed assets amounted to Euro 148.5 million, Euro 92.1 million of which are referred to tangible assets.

INDUSTRIAL RESULTS AS AT JUNE 30, 2015

The state of the art of the two "giant" worksites active in South Africa (photovoltaic plants of total capacity of 148.5 MWp on behalf of a leading Italian utility) is in line with the timetable envisaged by the final contracts for the EPC (engineering, procurement and construction) and O&M (operation and maintenance). The total number of photovoltaic plants built by TerniEnergia from the beginning of its activity is equal to 273, with an aggregate capacity of approximately 284.1 MWp (16.45 MWp in full ownership and 25.91 MWp in joint venture for the Power Generation activity). Moreover, are connected to the grid biomass plants for a total of 1.5 MWe and 2 MWt.

The total energy production of the full ownership and joint ventures plants for the power generation business, in the first half was equal to around 53 million kWh. In the environmental sector are operating two treatment and recycle plant of end of life tires (ELTs), the GreenAsm biodigestion and composting plant and finally the groundwater remediation plant in Nera Montoro (TR).

From the beginning of the year Free Energia Group has managed 1,1 TWh of energy for energy-intensive customer, 400 GWh of which during the period. TerniEnergia has completed lighting energy efficiency sites of industrial scale for around 9,200 light points, with an expected savings superior to 60% and a delta of energy saving of approximately 4 GWh.

SIGNIFICANT EVENTS OCCURRED AFTER THE END OF PERIOD



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The Board of Directors approved the divestment agreement for the transfer of the shares of Free Energia SpA

On October 2, 2015 the Board of Directors of TerniEnergia resolved to sign the divestment agreement for the transfer to the former leading shareholders of Free Energia SpA of n. 3,674,604 shares equal to 97.60% of its share capital, and representative of the entire stake held by TerniEnergia in Free Energia, the details of which have been already communicated to the market through the Press release disseminated last 7 August 2015. The closing of the transaction is subject to two specific conditions precedent, which must occur by 30 November 2015, and in particular to the positive pronouncement by (i) the general bondholders' meeting convened for the November, 9 2015 and (ii) of the ordinary shareholders' meeting of TerniEnergia, convened for the November, 18 2015.

Born of TerniEnergia Gas & Power S.p.A.

On October 7, 2015, the Shareholders' Meeting of New Gas Trade approved the company's transformation from Srl in S.p.A. and the change of name in TerniEnergia Gas & Power SpA, with the resulting changes to art. 1 of the Bylaws. The change of the company's name is part of the broader project of reorganization of the Group aimed at attend all stages of the value chain for electricity and gas in Italy, by integrating supply, trading and marketing of natural gas and LNG with the generation and management of electricity.

BUSINESS OUTLOOK

TerniEnergia, consequently to the signing of the divestment agreement to Free Energia SpA has decided to approve an update of the "Fast on the road smart energy" business plan. In particular, for the year 2015, the company wants to confirm the strategic target and expected results, even considering that the transaction should be completed by the end of November 2015, considering that it is achievable an improvement of the Net Financial Position compared to the target already set for December 31, 2015.

At the same time, TerniEnergia intends to increase the contribution from contracts in photovoltaics sector already acquired and being acquired abroad, partly as a result of compliance with the timetable provided in the definitive agreements. The company also intends to take advantage of the international context extremely positive for the sector, strengthening the activities of scouting and market analysis for the development of possible partnerships in the EPC (not exclusively photovoltaic), in order to assess the possibility of setting up an "Italian leader" industrial platform for the achievement of large contracts abroad.

Moreover, in line with the strategic targets set in the updated business plan, TerniEnergia intends to strengthen and consolidate the activities of the Business Line "Energy saving", including new managers



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joining the Group, from which are expected contracts for important projects energy savings to be achieved by major industrial customers.

A similar perspective is expected from the market entry of TerniEnergia Gas & Power, the newco dedicated to the natural gas and liquefied natural gas business, thanks to the full integration into Business Line "Energy Management". The reorganization of the Group aimed at attend all stages of the value chain for electricity and gas in Italy, by integrating supply, trading and marketing of natural gas and LNG with the generation and management of electricity; maximize opportunities for development of the gas sector, both in Italy and internationally, recorded in the first half of a positive trend in terms of volumes and margins, are expected to grow even more interesting in relation to the sector of electric energy; distinguish the role of the Company to the institutions, the market, the financial community and the industrial customers.

TerniEnergia will continue its scouting of the best opportunities to enter into the field of development and industrial production of smart solutions and technologies for energy efficiency and cleantech.

OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors following the resignation of the executive director and vice-president Dr. Umberto Paparelli, resigned on August 7, 2015, co-opted as executive director Dr. Giovanni Fabrizi, who have been conferred the responsibility for the coordination of the business line "Energy Saving".

Dr. Giovanni Fabrizi, a degree in "Computer Science" carried out his professional activity mainly in the telecommunications, software development, system integration, research and development, the management of complex projects. He has operated in the past, among others, in Alcatel Lucent and in Sesa Group NV. The curriculum vitae of the new director is available on the company website at www.ternienergia.com.

The Officer appointed for the preparation of accounting and corporate documents, Dott. Paolo Allegretti, states, pursuant to paragraph 2 of art. 154-bis of the consolidated Financial Act, that the accounting information that is contained in this press release corresponds to the results contained in the documents, books, and accounting records.

This press release is also available on the Company's website: www.ternienergia.com.



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TerniEnergia, a company incorporated in September of 2005 and part of Italeaf Group, is the first Italian smart energy company and operates in renewable energy, energy efficiency, energy and waste management. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own, for the Power Generation business, also through joint venture companies with leading national players. TerniEnergia operates in the waste management sector, recovery of the material and energy, development and production of technologies. In particular, the Company is active in the recovery of tires out of use, in the treatment of biodegradable waste through the implementation of biodigesters, management of plant for the biological depuration; decommissioning of industrial plants, recovery of demolition metals and cleaning of industrial sites; development and production of technological apparatus.

Through Free Energia, the Group is active in the energy management, energy sales to energy intensive customers, software and services for energy management, administrative, financial and credit management. Through TerniEnergia Gas & Power, the Group is also active on the natural gas and liquefied natural gas (LNG) market, offering a range of services and activities in order to develop Client's business and achieve a competitive advantage providing the best market conditions and creating a high added value.

TerniEnergia operates in the development of energy efficient plants both through EPC scheme and FTT scheme (Financing Through Third Parties), pursuing the objectives of increasing energy production from renewable sources, of energy saving and reduction of emissions as set forth by environmental European policy.

TerniEnergia is listed on STAR segment of Borsa Italiana S.p.A..

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In attach:

- Consolidated statement of financial position as at 30/09/2015
- Reclassified consolidated income statement as at 30/09/2015
- Consolidated net financial position as at 30/09/2015

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Consolidated statement of financial position as at 30/09/2015

<i>(in Euro)</i>	As at September, 30 2015	As at December, 31 2014	Change	Change %
Intangible assets	14,005,272	14,143,177	(137,905)	(0.98)%
Property, plant and equipment	92,081,512	91,306,645	774,867	0.85%
Financial fixed assets and other intangible assets	42,435,087	45,855,510	(3,420,423)	(7.46)%
Fixed Assets	148,521,871	151,305,332	(2,783,461)	(1.84)%
Inventories	48,715,353	10,943,522	37,771,831	n.a.
Trade receivables	90,066,244	79,108,151	10,958,093	13.85%
Other assets	37,103,932	24,283,439	12,820,493	52.80%
Trade payables	(122,097,099)	(67,172,376)	(54,924,723)	81.77%
Other liabilities	(31,652,595)	(11,731,401)	(19,921,194)	n.a.
Net working capital	22,135,835	35,431,335	(13,295,500)	(37.52)%
Provisions and other non-trade liabilities	(6,904,318)	(7,215,228)	310,910	(4.31)%
Net Invested Capital	163,753,388	179,521,439	(15,768,051)	(8.78)%
Shareholders' Equity	70,853,246	71,346,754	(493,508)	(0.69)%
Current net financial position	7,109,755	18,337,508	(11,227,753)	(61.23)%
Non-current net financial position	85,790,387	89,837,177	(4,046,790)	(4.50)%
Total net financial position	92,900,142	108,174,685	(15,274,543)	(14.12)%
Net Invested Capital	163,753,388	179,521,439	(15,768,051)	(8.78)%



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Reclassified consolidated income statement as at 30/09/2015

<i>(in Euro)</i>	As at September, 30 2015	As at December, 31 2014	Change	Change %
Net revenues from sales and services	277,219,449	32,377,309	244,842,140	n.a.
Production costs	(255,148,560)	(12,776,269)	(242,372,291)	n.a.
Added value	22,070,888	19,601,040	2,469,848	12.60%
Personnel costs	(5,577,851)	(4,291,540)	(1,286,311)	29.97%
EBITDA	16,493,037	15,309,500	1,183,537	7.73%
Amortization, depreciation, provisions and write-downs	(4,199,576)	(6,996,994)	2,797,418	(39.98)%
EBIT	12,293,461	8,312,506	3,980,955	47.89%
Financial income and charges	(7,802,792)	(7,872,298)	69,506	(0.88)%
Portions of results attributable to the JV	382,970	(150,877)	533,847	n.a.
Pre-tax result	4,873,640	289,331	4,584,309	n.a.
Income taxes	(1,498,053)	5,970,932	(7,468,985)	(125.09)%
Net profit for the period	3,375,587	6,260,263	(2,884,676)	(46.08)%



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Consolidated net financial position as at 30/09/2015

<i>(in Euro)</i>	As at September, 30 2015	As at December, 31 2014
Cash	(28,107)	(21,315)
Available bank current accounts	(20,122,240)	(14,156,175)
Liquidity	(20,150,347)	(14,177,490)
Bond debt	1,111,302	1,544,520
Current bank debt (current account overdraft)	4,907,258	3,713,874
Current bank debt (advance)	16,917,308	19,978,036
Financial payables to other lenders		189,279
Current financial debt (other lenders)	1,859,110	1,795,955
Current financial debt (other lenders)	13,427,432	13,975,757
Current financial receivables	(10,962,309)	(8,682,422)
Current financial debt	27,260,102	32,514,999
Current net financial position	7,109,755	18,337,509
Bond debt	24,379,169	24,259,621
Non-current financial debt (other lenders)	31,479,906	35,934,530
Financial payables to other lenders	8,314	16,285
Non-current financial debt (Leasing)	29,922,998	29,626,742
Non-current net financial position	85,790,387	89,837,178
Total net financial position	92,900,142	108,174,686